

OGC HAS REVIEWED.

SECRET

Orig. filed - 466

28 May 1951

MEMORANDUM FOR: THE FILES

SUBJECT:

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1. have submitted statements of account together with a copy of the articles of partnership. Review of the latter has raised some doubt regarding the protection of Government interest. Article XIII is not completely clear in translation. This Article is in regard to limitation of liability for each of the partners. If the limitation refers to the monetary contribution of the partners and not to a percentage ratio, then the Government is sufficiently protected. Clarification will be requested.

2. Article XIII indicates that the heirs of a deceased partner may appoint a representative to act in their behalf. If local law permits, this Article should be amended to provide that the interest of a deceased partner passes to the surviving partner. If the purpose of this amendment is prohibited, then both will be requested to revise their wills to provide for

cross bequests each to the other of their respective partnership interest. In order that no unnecessary burden will be placed upon the heirs and beneficiaries, the employment contract of each can be amended to require reimbursement by CIA to the estate for any additional inheritance or estate tax which would not otherwise have been incurred.

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3. The deed of trust for each of these persons will be amended to include his partnership interest.

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